

Union Calendar No. 62

105TH CONGRESS
1ST Session

H. R. 1377

[Report No. 105-104]

A BILL

To amend title I of the Employee Retirement Income Security Act of 1974 to encourage retirement income savings.

MAY 20, 1997

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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To amend title I of the Employee Retirement Income Security Act of 1974
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IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 1997

Mr. FAWELL (for himself, Mr. PAYNE, Mr. GOODLING, Mr. POMEROY, Mr. KNOLLENBERG, Mr. PETRI, Mr. FROST, Mr. CASTLE, Mr. TALENT, Mrs. ROUKEMA, Mr. BALLENGER, Mr. MARTINEZ, Mr. SAXTON, Mr. FATTAH, Mr. HINOJOSA, Mrs. MCCARTHY of New York, Mr. McKEON, Mr. UPTON, Mrs. KELLY, Mr. TOWNS, Mr. HILLIARD, Ms. NORTON, Mr. MCCOLLUM, Mr. CALVERT, Mr. WELLER, and Ms. WATERS) introduced the following bill; which was referred to the Committee on Education and the Workforce

MAY 20, 1997

Additional sponsors: Mr. KOLBE, Mr. OLVER, Mr. GRAHAM, Mr. MILLER of California, Mr. CLAY, Mr. GREENWOOD, Mr. FORD, Mr. OWENS, Mr. DELLUMS, and Mr. FALEOMAVAEGA

MAY 20, 1997

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on April 17, 1997]

A BILL

To amend title I of the Employee Retirement Income Security Act of 1974 to encourage retirement income savings.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Savings Are Vital to*
5 *Everyone’s Retirement Act of 1997”.*

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 *(a) FINDINGS.—The Congress finds as follows:*

8 *(1) The impending retirement of the baby boom*
9 *generation will severely strain our already overbur-*
10 *dened entitlement system, necessitating increased reli-*
11 *ance on pension and other personal savings.*

12 *(2) Studies have found that less than a third of*
13 *Americans have even tried to calculate how much they*
14 *will need to have saved by retirement, and that less*
15 *than 20 percent are very confident they will have*
16 *enough money to live comfortably throughout their re-*
17 *tirement.*

18 *(3) A leading obstacle to expanding retirement*
19 *savings is the simple fact that far too many Ameri-*

1 *cans—particularly the young—are either unaware of,*
 2 *or without the knowledge and resources necessary to*
 3 *take advantage of, the extensive benefits offered by our*
 4 *retirement savings system.*

5 *(b) PURPOSE.—It is the purpose of this Act—*

6 *(1) to advance the public’s knowledge and under-*
 7 *standing of retirement savings and its critical impor-*
 8 *tance to the future well-being of American workers*
 9 *and their families;*

10 *(2) to provide for a periodic, bipartisan national*
 11 *retirement savings summit in conjunction with the*
 12 *White House to elevate the issue of savings to national*
 13 *prominence; and*

14 *(3) to initiate the development of a broad-based,*
 15 *public education program to encourage and enhance*
 16 *individual commitment to a personal retirement sav-*
 17 *ings strategy.*

18 **SEC. 3. OUTREACH BY THE DEPARTMENT OF LABOR.**

19 *(a) IN GENERAL.—Part 5 of subtitle B of title I of*
 20 *the Employee Retirement Income Security Act of 1974 (29*
 21 *U.S.C. 1131 et seq.) is amended by adding at the end the*
 22 *following new section:*

23 *“OUTREACH TO PROMOTE RETIREMENT INCOME SAVINGS*

24 *“SEC. 516. (a) IN GENERAL.—The Secretary shall*
 25 *maintain an ongoing program of outreach to the public de-*

1 *signed to effectively promote retirement income savings by*
2 *the public.*

3 “(b) *METHODS.*—*The Secretary shall carry out the re-*
4 *quirements of subsection (a) by means which shall ensure*
5 *effective communication to the public, including publication*
6 *of public service announcements, public meetings, creation*
7 *of educational materials, and establishment of a site on the*
8 *Internet.*

9 “(c) *INFORMATION TO BE DISSEMINATED.*—*The infor-*
10 *mation to be disseminated by the Secretary as part of the*
11 *program of outreach required under subsection (a) shall in-*
12 *clude the following:*

13 “(1) *a description of the vehicles currently avail-*
14 *able to individuals and employers for creating and*
15 *maintaining retirement income savings, specifically*
16 *including information explaining to employers, in*
17 *simple terms, how to establish each of the different re-*
18 *irement savings vehicles for their workers, and*

19 “(2) *information regarding matters relevant to*
20 *establishing retirement income savings, such as—*

21 “(A) *the forms of retirement income sav-*
22 *ings,*

23 “(B) *the concept of compound interest,*

24 “(C) *the importance of commencing savings*
25 *early in life,*

1 “(D) savings principles,

2 “(E) the importance of prudence and diver-
3 sification in investing,

4 “(F) the importance of the timing of invest-
5 ments, and

6 “(G) the impact on retirement savings of
7 life’s uncertainties, such as living beyond one’s
8 life expectancy.

9 “(d) *ESTABLISHMENT OF SITE ON THE INTERNET.*—
10 *The Secretary shall establish a permanent site on the*
11 *Internet concerning retirement income savings. The site*
12 *shall contain at least the following information:*

13 “(1) *a means for individuals to calculate their*
14 *estimated retirement savings needs, based on their re-*
15 *irement income goal as a percentage of their pre-*
16 *retirement income;*

17 “(2) *a description in simple terms of the com-*
18 *mon types of retirement income savings arrangements*
19 *available to both individuals and employers (specifi-*
20 *cally including small employers), including informa-*
21 *tion on the amount of money that can be placed into*
22 *a given vehicle, the tax treatment of the money, the*
23 *amount of accumulation possible through different*
24 *typical investment options and interest rate projec-*

1 *tions, and a directory of resources of more descriptive*
 2 *information;*

3 *“(3) materials explaining to employers in simple*
 4 *terms how to establish and maintain different retire-*
 5 *ment savings arrangements for their workers and*
 6 *what the basic legal requirements are under this Act*
 7 *and the Internal Revenue Code of 1986;*

8 *“(4) copies of all educational materials developed*
 9 *by the Department of Labor, and by other Federal*
 10 *agencies in consultation with such Department, to*
 11 *promote retirement income savings by workers and*
 12 *employers; and*

13 *“(5) links to other sites maintained on the*
 14 *Internet by governmental agencies and nonprofit or-*
 15 *ganizations that provide additional detail on retire-*
 16 *ment income savings arrangements and related topics*
 17 *on savings or investing.*

18 *“(e) COORDINATION.—The Secretary shall coordinate*
 19 *the outreach program under this section with similar efforts*
 20 *undertaken by other public and private entities.”.*

21 *(b) CONFORMING AMENDMENT.—The table of contents*
 22 *in section 1 of such Act is amended by inserting after the*
 23 *item relating to section 514 the following new items:*

“Sec. 515. Delinquent contributions.

“Sec. 516. Outreach to promote retirement income savings.”.

1 **SEC. 4. NATIONAL SUMMIT ON RETIREMENT SAVINGS.**

2 (a) *IN GENERAL.*—Part 5 of subtitle B of title I of
3 the *Employee Retirement Income Security Act of 1974* (as
4 amended by section 3 of this Act) is amended further by
5 adding at the end the following new section:

6 “NATIONAL SUMMIT ON RETIREMENT SAVINGS

7 “SEC. 517. (a) *AUTHORITY TO CALL SUMMIT.*—Not
8 later than June 1, 1998, the President shall convene a Na-
9 tional Summit on Retirement Income Savings at the White
10 House, to be co-hosted by the President and the Speaker
11 and the Minority Leader of the House of Representatives
12 and the Majority Leader and Minority Leader of the Sen-
13 ate. Such a National Summit shall be convened thereafter
14 in 2001 and 2005 on or after September 1 of each year
15 involved. Such a National Summit shall—

16 “(1) advance the public’s knowledge and under-
17 standing of retirement savings and its critical impor-
18 tance to the future well-being of American workers
19 and their families;

20 “(2) facilitate the development of a broad-based,
21 public education program to encourage and enhance
22 individual commitment to a personal retirement sav-
23 ings strategy;

24 “(3) develop recommendations for additional re-
25 search, reforms in public policy, and actions in the
26 field of retirement income savings; and

1 “(4) disseminate the report of, and information
2 obtained by, the National Summit and exhibit mate-
3 rials and works of the National Summit.

4 “(b) *PLANNING AND DIRECTION.*—The National Sum-
5 mit shall be planned and conducted under the direction of
6 the Secretary, in consultation with, and with the assistance
7 of, the heads of such other Federal departments and agencies
8 as the President may designate. Such assistance may in-
9 clude the assignment of personnel. The Secretary shall, in
10 planning and conducting the National Summit, consult
11 with the congressional leaders specified in subsection (e)(2).
12 The Secretary shall also, in carrying out the Secretary’s
13 duties under this subsection, consult and coordinate with
14 at least one organization made up of private sector busi-
15 nesses and associations partnered with Government entities
16 to promote long-term financial security in retirement
17 through savings (including for 1998, and thereafter as the
18 Secretary may deem appropriate, the American Savings
19 Education Council).

20 “(c) *PURPOSE OF NATIONAL SUMMIT.*—The purpose of
21 the National Summit shall be—

22 “(1) to increase the public awareness of the value
23 of personal savings for retirement;

24 “(2) to advance the public’s knowledge and un-
25 derstanding of retirement savings and its critical im-

1 *portance to the future well-being of American workers*
2 *and their families;*

3 *“(3) to facilitate the development of a broad-*
4 *based, public education program to encourage and en-*
5 *hance individual commitment to a personal retire-*
6 *ment savings strategy;*

7 *“(4) to identify the problems which hinder work-*
8 *ers from setting aside adequate savings for retirement;*

9 *“(5) to identify the barriers which impede em-*
10 *ployers, especially small employers, from assisting*
11 *workers in accumulating retirement savings;*

12 *“(6) to examine the impact and effectiveness of*
13 *individual employers to promote personal savings for*
14 *retirement among their workers and to promote par-*
15 *ticipation in company savings options;*

16 *“(7) to examine the impact and effectiveness of*
17 *government programs at the Federal, State, and local*
18 *levels to promote retirement income savings;*

19 *“(8) to develop such specific and comprehensive*
20 *recommendations for the legislative and executive*
21 *branches of the Government and for private sector ac-*
22 *tion as may be appropriate for promoting retirement*
23 *income savings among American workers; and*

24 *“(9) to develop recommendations for the coordi-*
25 *nation of Federal, State, and local policies among the*

1 *Federal, State, and local levels of government and for*
2 *the coordination of such policies (including any solu-*
3 *tions for Federal, State, and local needs devised at the*
4 *Federal, State, and local levels) with the efforts of the*
5 *private sector to meet such needs, and to identify the*
6 *appropriate authority and entities to implement such*
7 *recommendations.*

8 “(d) *SCOPE OF NATIONAL SUMMIT.*—*The scope of the*
9 *National Summit shall consist of issues relating to individ-*
10 *ual and employer-based retirement savings and shall not*
11 *include issues relating to the old-age, survivors, and disabil-*
12 *ity insurance program under title II of the Social Security*
13 *Act.*

14 “(e) *NATIONAL SUMMIT PARTICIPANTS.*—

15 “(1) *IN GENERAL.*—*To carry out the purposes of*
16 *the National Summit, the National Summit shall*
17 *bring together—*

18 “(A) *professionals and other individuals*
19 *working in the fields of employee benefits and re-*
20 *irement savings;*

21 “(B) *Members of Congress and officials in*
22 *the executive branch;*

23 “(C) *representatives of State and local gov-*
24 *ernments;*

1 “(D) representatives of private sector insti-
2 tutions, including individual employers, con-
3 cerned about promoting the issue of retirement
4 savings and facilitating savings among Amer-
5 ican workers; and

6 “(E) representatives of the general public.

7 “(2) *STATUTORILY REQUIRED PARTICIPATION.*—
8 *The participants in the National Summit shall in-*
9 *clude the following individuals or their designees:*

10 “(A) the Speaker and the Minority Leader
11 of the House of Representatives;

12 “(B) the Majority Leader and the Minority
13 Leader of the Senate;

14 “(C) the Chairman and ranking Member of
15 the Committee on Education and the Workforce
16 of the House of Representatives;

17 “(D) the Chairman and ranking Member of
18 the Committee on Labor and Human Resources
19 of the Senate;

20 “(E) the Chairman and ranking Member of
21 the Special Committee on Aging of the Senate;
22 and

23 “(F) the parties referred to in subsection
24 (b).

1 “(3) *ADDITIONAL PARTICIPANTS.*—*There shall be*
 2 *not more than 400 additional participants. Of such*
 3 *additional participants—*

4 “(A) *one-fourth shall be appointed by the*
 5 *Speaker of the House of Representatives;*

6 “(B) *one-fourth shall be appointed by the*
 7 *Minority Leader of the House of Representatives;*

8 “(C) *one-fourth shall be appointed by the*
 9 *Majority Leader of the Senate; and*

10 “(D) *one-fourth shall be appointed by the*
 11 *Minority Leader of the Senate.*

12 *Such remaining participants shall be selected without*
 13 *regard to political affiliation or past partisan activ-*
 14 *ity and shall be representative of the diversity of*
 15 *thought in the fields of employee benefits and retire-*
 16 *ment income savings.*

17 “(4) *PRESIDING OFFICERS.*—*The National Sum-*
 18 *mit shall be presided over equally by representatives*
 19 *of the executive and legislative branches.*

20 “(f) *NATIONAL SUMMIT ADMINISTRATION.*—

21 “(1) *ADMINISTRATION.*—*In administering this*
 22 *section, the Secretary shall—*

23 “(A) *request the cooperation and assistance*
 24 *of such other Federal departments and agencies*
 25 *and other parties referred to in subsection (b) as*

1 *may be appropriate in the carrying out of this*
2 *section;*

3 *“(B) furnish all reasonable assistance, in-*
4 *cluding financial assistance, to State agencies,*
5 *area agencies, and other appropriate organiza-*
6 *tions to enable them to organize and conduct*
7 *conferences in conjunction with the National*
8 *Summit;*

9 *“(C) make available for public comment a*
10 *proposed agenda for the National Summit that*
11 *reflects to the greatest extent possible the pur-*
12 *poses for the National Summit set out in this*
13 *section;*

14 *“(D) prepare and make available back-*
15 *ground materials for the use of participants in*
16 *the National Summit that the Secretary consid-*
17 *ers necessary; and*

18 *“(E) appoint and fix the pay of such addi-*
19 *tional personnel as may be necessary to carry*
20 *out the provisions of this section without regard*
21 *to provisions of title 5, United States Code, gov-*
22 *erning appointments in the competitive service,*
23 *and without regard to chapter 51 and subchapter*
24 *III of chapter 53 of such title relating to classi-*
25 *fication and General Schedule pay rates.*

1 “(2) *DUTIES.*—*The Secretary shall, in carrying*
2 *out the responsibilities and functions of the Secretary*
3 *under this section, and as part of the National Sum-*
4 *mit, ensure that—*

5 “(A) *the National Summit shall be con-*
6 *ducted in a manner that ensures broad partici-*
7 *pation of Federal, State, and local agencies and*
8 *private organizations, professionals, and others*
9 *involved in retirement income savings and pro-*
10 *vides a strong basis for assistance to be provided*
11 *under paragraph (1)(B);*

12 “(B) *the agenda prepared under paragraph*
13 *(1)(C) for the National Summit is published in*
14 *the Federal Register; and*

15 “(C) *the personnel appointed under para-*
16 *graph (1)(E) shall be fairly balanced in terms of*
17 *points of views represented and shall be ap-*
18 *pointed without regard to political affiliation or*
19 *previous partisan activities.*

20 “(g) *REPORT.*—*The Secretary shall prepare a report*
21 *describing the activities of the National Summit and shall*
22 *submit the report to the President, the Speaker and Minor-*
23 *ity Leader of the House of Representatives, the Majority*
24 *and Minority Leaders of the Senate, and the chief executive*

1 *officers of the States not later than 90 days after the date*
 2 *on which the National Summit is adjourned.*

3 “(h) *DEFINITION.—For purposes of this section, the*
 4 *term ‘State’ means a State, the District of Columbia, the*
 5 *Commonwealth of Puerto Rico, the Commonwealth of the*
 6 *Northern Mariana Islands, Guam, the Virgin Islands,*
 7 *American Samoa, and any other territory or possession of*
 8 *the United States.*

9 “(i) *AUTHORIZATION OF APPROPRIATIONS.—*

10 “(1) *IN GENERAL.—There is authorized to be ap-*
 11 *propriated for fiscal years beginning on or after Octo-*
 12 *ber 1, 1997, such sums as are necessary to carry out*
 13 *this section.*

14 “(2) *RELIANCE ON PRIVATE CONTRIBUTIONS.—*

15 *The Secretary may accept private contributions, in*
 16 *the form of money, supplies, or services, to defray the*
 17 *costs of the National Summit. The Secretary shall en-*
 18 *sure, to the extent practicable, that at least one-half*
 19 *of the funds available to the Secretary for each fiscal*
 20 *year to carry out the provisions of this section consist*
 21 *of such private contributions.*

22 “(j) *CONTRACTS.—The Secretary may enter into con-*
 23 *tracts to carry out the Secretary’s responsibilities under this*
 24 *section, but only to the extent, or in such amounts, as are*
 25 *provided in advance in appropriations Acts.”.*

1 (b) *CONFORMING AMENDMENT.*—*The table of contents*
2 *in section 1 of such Act (as amended by section 3 of this*
3 *Act) is amended further by inserting after the item relating*
4 *to section 516 the following new item:*

“Sec. 517. National Summit on Retirement Savings.”.

5 (c) *AUTHORIZATION OF APPROPRIATIONS FOR FISCAL*
6 *YEAR 1998.*—*Notwithstanding subsection (i) of section 517*
7 *of the Employee Retirement Income Security Act of 1974*
8 *(added by this section), the amount authorized to be appro-*
9 *priated for fiscal year 1998 to carry out such section is*
10 *an amount equal to \$1,000,000.*